



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

October 10, 2008

Tom Reim
Vice President of Human Resources
SYSCO Food Services of Ventura, Inc.
3100 Sturgis Road
Oxnard, CA 93030

Dear Mr. Reim:

RE: FINAL MONITORING REPORT for SYSCO Food Services of Ventura, Inc. – ET06-0314

Date of Visit	08/27/08
Time of Visit	10:00 a.m. – 2:30 p.m.
Location of Visit	Oxnard
Persons in Attendance	Tom Reim, VP of Human Resources, SYSCO Virginia Peinado, Supervisor, Training & Development, SYSCO William Sacks, VP Operations, NTC, Inc. Naomi Weingart, ETP Contract Analyst
Date of Last Visit	02/15/08
Action Required	No

CONTRACT INFORMATION

Term of Agreement	06/07/06 – 06/06/08	Agreement Amount	\$195,975
Type of Trainee	Retrainee	Number to Retain	225
Training Start Date	06/07/06	Range of Hours	24 - 200
Date Training Must Be Completed	03/08/08	Weighted Avg Hours	67

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ETP (04/15/05)

TRAINING STATUS

Project Statistics Provided by the Contractor

Trainees Started Training	238	Completed Training	146
Trainees Enrolled	217	Completed Retention	146
Dropped Following Enrollment	65	In Retention Period	0
No. Completed Minimum Reimbursable Hours	151		

Your data matches the August 21, 2008 ETP Contract Status Report.

Training began June 7, 2006 and ended March 4, 2008. One Amendment was processed in March 2007 to add CBT curriculum, to increase CBT hours from 8 to 40, and to authorize CBT training done in the field by Marketing (Sales) Associates. Trainees each completed between 25 and 200 class/lab hours; approximately 78% of your training was in Continuous Improvement, followed by 21% in Commercial Skills, and the remaining 1% in Computer Skills.

The Final Fiscal Contract Closeout was completed in June 2008 and shows that your company received \$195,975 in ETP funding, which is 100% of the contract amount. Mr. Sacks indicated that SYSCO actually earned \$2,000 to \$3,000 over the maximum contract funding and thus exceeded expectations. He also indicated that most of the 65 drops were for trainees that did not reach the 24-hour class/lab minimum due to internal time constraints. Staff was reminded that expenditures for administrative duties cannot exceed 13% of payment earned, so the cap for your contract is \$25,476.

Over the course of the training program, you reported that training progressed satisfactorily, met the company's needs, and had good management support. This contract concentrated on Continuous Improvement and gave employees new skills to improve their work processes and solve problems. The computer-based training program got underway and was very successful; trainees were able to take courses at the most convenient time during their workday and are now routinely signing up for more training. You felt that the CBT classes were very challenging and said that management staff, as well as frontline workers, completed several courses. Ms. Peinado previously explained that the company received an internal award as the facility with the highest CBT usage and the highest number of certifications earned nationwide (although most of the CBT training was not ETP eligible). She said that although the CBT trainee population has been comprised primarily of office personnel, she anticipates that more warehouse workers will participate in the near future.

While training went well, you indicated that the biggest problem overall was the amount of paperwork (rosters) involved. Precisely for this reason, CBT was easier to track since documentation was printed from the computer. Internally, the company keeps training records electronically and would have preferred to use this method for ETP as well. The Monitoring Analyst mentioned ETP's LMS requirements and suggested reviewing them in greater detail if you should apply for another contract.

Besides completing written records, the flow of data from the company to the administrative consultant did not go smoothly. The consultant did no data entry online for several months in 2007 and 2008, so the ETP Monitor was unable to ascertain the progress of your training and recommend an Amendment for additional funding to cover all of the training you completed. Otherwise, you cited no monitoring deficiencies.

ATTENDANCE ROSTERS/INVOICES

The Monitor reviewed complete sets of class/lab records for 21 trainees from Invoice #3 (P2 for completion of training) and Invoice #4 (P4 for final payment after retention), and also for two (2) active trainees who were not invoiced, but who have class/lab hours recorded in the ETP online tracking system. Of this group, seven (7) were found to meet all ETP requirements: the Training Plan was followed; the curriculum was provided as specified in Exhibit B; the 1:20 trainer to trainee ratio was met; and the online data corresponded to the rosters.

For the 14 remaining trainees, the majority of their roster conformed to ETP recordkeeping requirements, but there were several significant anomalies: (1) missing rosters; (2) missing trainee signatures; (3) inconsistent trainer signatures; (4) altered training dates; (5) training on holiday dates; and (6) trainees with several continuous weeks of nearly full-time, 1:1 training, which does occur in ETP contracts but is not the norm. Those trainees are:

- Chavira (Segovia) (promoted) trained 07/23/07 through 08/24/07 (5 weeks) all in Continuous Learning/Company Support 1:1 for 200 hours. Not placed but still in active status.
- O'Neill (Marketing Associate) trained 10/16/06 through 11/24/06 (5 weeks) all in Continuous Improvement/ Interpersonal Communications 1:1 for 200 hours. Trained on 11/10/06 (Veterans Day) and 11/23/06 (Thanksgiving Day).
- Martinez, L. (promoted) trained 05/07/07 through 06/01/07 (4 weeks) all in Continuous Improvement/Company Support 1:1 for 148 hours. Not placed but still in active status.
- Grissolange (Marketing Associate) trained 05/29/07 through 07/20/07 (6 weeks) all in Continuous Improvement/Company Support 1:1 for 200 hours. Placed.
- Herrera, L. (Marketing Associate) trained 07/24/07 thru 08/24/07 (5 weeks) and 09/03/07 through 09/05/07 all in Continuous Improvement/Company Support 1:1 for 200 hours. Placed.

Additionally, records for this trainee show daily training for 27 weeks:

- Ward, C. trained 07/23/06 thru 05/22/07, .25 hours every day for 35 weeks (except for two 3-week skips, two 1-week skips, with one session 10 days straight, and worked Xmas and New Years) all in Continuous Improvement for a total of 50 hours. Placed.

In order to be eligible for ETP reimbursement, training must meeting the following definitions found in Title 22, California Code of Regulations, Section 4400:

Classroom Training: Formal instruction in a classroom setting that is removed from the trainee's usual work environment, and provided on a regular basis under the constant and direct guidance of a trainer. [Section 4400(y)(1).]

Laboratory Training: Hands-on instruction conducted in a simulated work setting, under the direct observation of a trainer. Laboratory training may require the use of specialized equipment or facilities. [Section 4400(y)(2).]

The following table summarizes attendance roster concerns for the eight (8) remaining trainees:

Trainee	Roster Dates	Type of Training/ Class Title	Issue	Hours Recorded Online	Disallowance Calculation (Hours x Trainees on the Roster)	Total Amount Disallowed @ \$13/hour
Altieri	06/13/06	CI/ Interpersonal Communications	<u>Missing Roster</u>	2 hours	2 x 7 = 14	\$182
	06/15/06	CI/ Interpersonal Communications	<u>Missing Roster</u>	2 hours	2 x 6 = 12	\$156
	10/02/06	Commercial Skills/ Consultative Selling	<u>Missing Roster</u>	2 hours	2 x 5 = 10	\$130
Carlyle	11/13/06 & 11/30/06	CI / Company Support	Instructor signatures inconsistent with other rosters. Training dates blacked out and rewritten			
Grimes, Charles	06/08/06	Computer / Laptop Techniques	<u>No trainee signature on original roster</u> – copy of roster submitted with a signature.	2 hours	2 x 1 = 2	\$26
	08/11/06	Commercial / Consultative Selling	<u>No trainee signature on original roster</u> – copy of roster submitted with a signature. Roster date scratched out and re- entered.	5 hours	5 x 1 = 5	\$65
	02/07/08	Commercial / Consultative Selling	<u>Missing Roster</u>	2 hours	2 x 9 = 18	\$234

Trainee	Roster Dates	Type of Training/ Class Title	Issue	Hours Recorded Online	Disallowance Calculation (Hours x Trainees on the Roster)	Total Amount Disallowed @ \$13/hour
Kruse	08/11/06	Commercial / Consultative Selling	<u>No trainee signature on original roster</u> – copy of roster submitted with a signature. Training dates scratched out and re-entered.	5 hours	5 x 1 = 5	\$65
	10/12/06	Commercial / Consultative Selling	<u>Hours entered twice</u> for same day or one 2-hour roster is missing	2 hours	2 x 1 = 2	\$26
McKinney	08/25/06	Commercial / Consultative Selling	<u>Missing Roster</u>	3.5 hours	3.5 x 9 = 31.5	\$409.50
Mejia, Leslie	06/08/06	Computer / Laptop Techniques	<u>No trainee signature</u>	2 hours	2 x 1 = 2	\$26
	08/25/06	Commercial / Consultative Selling	<u>No trainee signature</u>	3.5 hours	3.5 x 1 = 3.5	\$45.50
Quattlebaum	10/12/06	Commercial / Consultative Selling	<u>No trainee signature on original roster</u> – copy of roster submitted with a signature. Trained 11/10/06 Veterans Day.	2 hours	2 x 1 = 2	\$26
	01/11/07	CI	<u>Missing Roster</u>	2 hours	No roster found TBD	

Trainee	Roster Dates	Type of Training/ Class Title	Issue	Hours Recorded Online	Disallowance Calculation (Hours x Trainees on the Roster)	Total Amount Disallowed @ \$13/hour
Ward, M.	03/21/07	CI	<u>Missing multi-day roster for 3 days</u>	8 hours	8 x 15 = 120	\$1,560
	03/22/07			7.5 hours not entered online		
	03/23/07			7 hours	7 x 15 = 105	\$1,365
Total					332 hours*	\$4,316*

*These totals reflect estimates of potential disallowed hours and reimbursement for the sampled trainees + other trainees listed on copies of missing rosters. Total hours per trainee minus disallowed hours were not calculated to determine if the trainees still met the 24-hour minimum. Also, names on copies of missing rosters were not checked against the final list of trainees that were reimbursed by ETP.

Conclusion

Ms. Peinado and Mr. Sacks were able to provide ETP with several rosters that were not found during the onsite visit, even though others noted above are still missing. The Monitor subsequently received class/lab rosters from Ms. Peinado for the trainees with several weeks of one-on-one training. In a telephone conversation with the Monitor, you stated that these trainees were either new to their positions or to the company; were trained both in a classroom setting and at their workstations; were in training the entire time; and did not produce goods or services during training. The Monitor did not discuss whether or not each trainer worked exclusively with the trainee 100% of the hours shown on the attendance rosters.

Due to the fact that (1) the error rate on the roster sample was relatively low, (2) the amount indicated on the chart is minor, and (3) your final ETP invoices actually exceeded the total contract amount, the Monitor is not recommending any disallowance at this time. However, this decision does not preclude other findings in the event of a future audit.

AUDIT

SYSCO will be notified in writing if this Agreement is selected for a field audit (conducted at your worksite) or a desk audit (conducted by telephone). Audit Notification and Confirmation letters will be sent in advance to allow ample preparation time, and will include a list of documentation that the auditor may examine. Original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters and sign-in sheets;
- Payroll records of individual trainees to verify wages and hours worked;
- Personnel records regarding occupations and dates of employment;
- Documentation of employer paid health benefits (if applicable); and
- Cash receipts to verify receipt and accounting of ETP funds.

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact your Monitoring Analyst within ten working days at (818) 755-3633 or nweingart@etp.ca.gov if you have any questions or comments.

Sincerely,

Signature on File

Dolores Kendrick, Manager
Los Angeles Regional Office

Signature on File

Naomi Weingart, Contract Analyst
Los Angeles Regional Office

Cc: Virginia Peinado, Supervisor, Training & Development, SYSCO Ventura (email)
William Sacks, VP Operations, National Training Company (email)
David Guzman, Chief, ETP Program Operations Division (email)
Kulbir Mayall, Manager, ETP Fiscal & Certification Unit (email)
Charles Rufo, ETP Audi Manager (email)
ETP Master File
ETP Project File

Date report mailed to Contractor 10/10/08